

Agenda Item 7

EXECUTIVE – 4 FEBRUARY 2020

CAPITAL STRATEGY 2020/21

COMMENTS FROM THE OVERVIEW AND SCRUTINY MANAGEMENT BOARD

On 30 January 2020, the Overview and Scrutiny Management Board considered the report and agreed to support the recommendations to the Executive.

The following points were confirmed in relation to questions raised by the Board:

- Developer contributions could be received in advance of a project starting to fund any infrastructure required before the project could commence, such as with the Lincoln Eastern Bypass. However, developer contributions were not always received in advance, so the Council would have to fund any capital expenditure required upfront and then offset the cost once the developer contributions for the project had been received.
- The Capital Strategy would be included in the Budget Book to Council in February 2020.
- Capital receipts would no longer be used to fund revenue expenditure on projects as capital receipts were hard to project and there was a risk that the expected capital receipts would not materialise. This temporary rule introduced by the government would end in March 2022.
- The TransportConnect fixed loan (Annex F) was considered high risk as it was provided to a start-up business. In contrast, the Police loan was considered low risk as it was provided to another public body.
- The Corporate Plan's priorities were only referred to in Annex A of the Capital Strategy for 2020/21 as the Corporate Plan had only been approved by the County Council in December 2019. The Capital Strategy would be linked to the Corporate Plan in future versions as capital and revenue expenditure would need to be realigned to meet the Corporate Plan's ambitions.
- Capital monitoring was an important role for scrutiny which had been identified previously by the Board.
- There was a need to identify whether capital appraisals should be scrutinised by the Overview and Scrutiny Management Board or by the relevant scrutiny committee.

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